

GOVERNMENT CODE

SECTION 54235-54238.7

54235. The Legislature reaffirms its finding that the disposition of surplus property owned by public agencies should be utilized to further state policies.

The Legislature reaffirms its finding that there exists within the urban and rural areas of the state a serious shortage of decent, safe, and sanitary housing which persons and families of low or moderate income can afford, and consequently a pressing and urgent need for the preservation and expansion of the low- and moderate-income housing supply. The Legislature further reaffirms its finding that highway and other state activities have contributed to the severe shortage of such housing. The Legislature reaffirms that the provision of decent housing for all Californians is a state goal of the highest priority. The Legislature finds and declares that actions of state agencies including the sales of surplus residential properties which result in the loss of decent and affordable housing for persons and families of low or moderate income is contrary to state housing, urban development, and environmental policies and is a significant environmental effect, within the meaning of Article XIX of the California Constitution, which will be mitigated by the sale of surplus residential property pursuant to the provisions of this article.

The Legislature further finds and declares that the displacement of large numbers of persons as a result of the sale of surplus residential property owned by agencies of the state is a significant environmental effect, within the meaning of Article XIX of the California Constitution which will be mitigated by sale of such properties pursuant to the provisions of this article.

The Legislature further finds and declares that the sale of surplus residential property pursuant to the provisions of this article will directly serve an important public purpose. Wherefore, the Legislature intends by this article to preserve, upgrade and expand the supply of housing available to persons and families of low or moderate income. The Legislature further intends by this article to mitigate the environmental effects, within the meaning of Article XIX, of the California Constitution, caused by highway activities.

54236. (a) As used in this article, the term "offer" means to solicit proposals prior to sale in a manner calculated to achieve a sale under the conditions specified, and to hold such offer open for a reasonable period of time, which shall be no more than one year, unless such time is extended by the selling agency at its discretion, for a period to be specified by the selling agency.

(b) As used in this article, the term "affordable price" means, in the case of a purchaser, other than a lower income household, the price for residential property for which the purchaser's monthly payments will not exceed that portion of the purchasing household's adjusted income as determined in accordance with the regulations of the United States Department of Housing and Urban Development, issued

pursuant to Section 235 of the National Housing Act; and, in the case of a purchaser that is a lower income household, the price for residential property for which the purchaser's monthly payments will not exceed that portion of the purchasing household's adjusted income as determined in accordance with the regulations of the United States Department of Housing and Urban Development issued pursuant to Section 8 of the United States Housing Act of 1937.

(c) As used in this article, the term "single-family residence" means a real property improvement used, or intended to be used, as a dwelling unit for one family.

(d) As used in this article, the term "surplus residential property" means land and structures owned by any agency of the state that is determined to be no longer necessary for such agency's use, and which is developed as single-family or multi-family housing, except property being held by the agency for the purpose of exchange.

Surplus residential properties shall only include land and structures which, at the time of purchase by the state, the state had intended to remove the residences thereon and to use the land for state purposes.

(e) As used in this article the term "displacement" includes, but is not limited to, persons who will have to move from surplus residential property that they occupy when it is sold by a state agency because they are unable to afford to pay the price which the state agency is asking for the residential property.

(f) As used in this article, the term "fair market value" shall mean fair market value as of the date the offer of sale is made by the selling agency pursuant to the provisions of this article. This definition shall not apply to terms of sale that are described as mitigation measures in an environmental study prepared pursuant to the Public Resources Code if such study was initiated prior to the enactment of this measure.

(g) As used in this article, the term "affordable rent" means, in the case of an occupant person or family, other than a person or family of low or moderate income, rent for residential property which is not more than 25 percent of the occupant household's gross monthly income, and in the case of an occupant person or family of low or moderate income, rent for residential property which is not more than the percentage of the adjusted income of the occupant person or family as permitted under regulations of the United States Department of Housing and Urban Development issued pursuant to Section 8 of the United States Housing Act of 1937, but not in excess of the market rental value for comparable property.

(h) As used in this article, the term "area median income" means median household income, adjusted for family size as determined in accordance with the regulations of the United States Department of Housing and Urban Development issued pursuant to Section 235 of the National Housing Act, as amended (P.L. 90-448), for the Standard Metropolitan Statistical Area (S.M.S.A.), in which surplus residential property to be disposed of pursuant to this article is located, or the county in which such property is located, if it is outside an S.M.S.A.

(i) As used in this article, the term "persons and families of low or moderate income" means persons and families of low or moderate income as defined by Section 50093 of the Health and Safety Code.

(j) As used in this article, the term "lower income households" means lower income households as defined in Section 50079.5 of the

Health and Safety Code.

54237. (a) Notwithstanding Section 11011.1, any agency of the state disposing of surplus residential property shall do so in accordance with the following priorities and procedures:

(1) First, all single family residences presently occupied by their former owners shall be offered to such former owners at the appraised fair market value.

(2) Second, all single-family residences shall be offered, pursuant to this article, to their present occupants who have occupied the property two years or more and who are persons and families of low or moderate income.

(3) Third, all single-family residences shall be offered, pursuant to this article, to their present occupants who have occupied the property five years or more and whose household income does not exceed 150 percent of the area median income.

(b) Single-family residences offered to their present occupants pursuant to paragraphs (2) and (3) of subdivision (a) shall be offered to such present occupants at an affordable price, which price shall not be less than the price paid by the agency for original acquisition, unless the acquisition price was greater than the current fair market value, and shall not be greater than fair market value. When such single-family residences are offered to present occupants at a price which is less than fair market value, the selling agency shall impose such terms, conditions and restrictions to assure that such housing will remain available to persons and families of low or moderate income and households with incomes no greater than the incomes of the present occupants in proportion to the area median income. The Department of Housing and Community Development shall provide to the selling agency recommendations of standards and criteria for such prices, terms, conditions and restrictions. The selling agency shall provide repairs required by lenders and government housing assistance programs, or, at the option of the agency, provide the present occupants with a replacement dwelling pursuant to Section 54237.5.

(c) If single-family residences are offered to their present occupants pursuant to paragraphs (2) and (3) of subdivision (a) the occupants shall certify their income to the selling agency. When such single-family residences are offered to present occupants at a price which is less than fair market value, the selling agency may verify such certifications, in accordance with procedures utilized for verification of incomes of purchasers and occupants of housing financed by the California Housing Finance Agency. The income limitations and term of residency requirements of paragraphs (2) and (3) of subdivision (a) shall not apply to sales that are described as mitigation measures in an environmental study prepared pursuant to the Public Resources Code, if such study was initiated prior to the enactment of this measure.

(d) All other surplus residential properties, and all properties described in paragraphs (1), (2), and (3) of subdivision (a) which are not purchased by the former owners or the present occupants shall be then offered to housing-related private and public entities at a reasonable price, which is best suited to economically feasible use of the property as decent, safe, and sanitary housing at affordable rents and affordable prices for persons and families of low or

moderate income, on the condition that the purchasing entity shall cause the property to be rehabilitated and developed as limited equity cooperative housing with first right of occupancy to present occupants, except that where the development of such cooperative or cooperatives is not feasible, the purchasing agency shall cause the property to be used for low and moderate income rental or owner-occupied housing, with first right of occupancy to the present tenants. The price of the property in no case shall be less than the price paid by the agency for original acquisition unless the acquisition price was greater than current fair market value, and shall not be greater than fair market value. Subject to the foregoing, it shall be set at the level necessary to provide housing at affordable rents and affordable prices for present tenants and persons and families of low or moderate income. When such residential property is offered at a price which is less than fair market value, the selling agency shall impose such terms, conditions and restrictions as will assure that such housing will remain available to persons and families of low or moderate income. The Department of Housing and Community Development shall provide to the selling agency recommendations of standards and criteria for such prices, terms, conditions and restrictions.

(e) Any surplus residential properties not sold pursuant to subdivisions (a) to (d), inclusive, shall then be sold at fair market value, with priority given first to purchasers who are present occupants and then to purchasers who will be owner occupants.

54237.5. Notwithstanding the requirement to provide repairs in subdivision (b) of Section 54237, the selling agency may, at its option, provide the present occupants with a replacement dwelling if all of the following conditions exist:

(a) Providing a replacement dwelling is less expensive than providing the repairs required by subdivision (b) of Section 54237.

(b) The replacement dwelling is determined to have all of the following characteristics:

(1) Is decent, safe, and sanitary.

(2) Is suitable to the occupancy needs of the household as provided under regulations of the United States Department of Housing and Urban Development issued pursuant to Section 8 of the United States Housing Act of 1937.

(3) Is open to all persons regardless of race, color, religion, sex, or national origin and consistent with requirements of Title 8 of the Civil Rights Act of 1978.

(4) Is in an area not generally less desirable than the dwelling to be acquired in regard to public utilities and public and commercial facilities.

(5) Is reasonably accessible to the displaced person's place of employment.

(6) Is in an equal or better neighborhood.

(7) Is affordable, as defined in subdivision (a) of Section 54236, to the displaced person.

(c) The offer is made at an affordable price that is not less than the price paid by the agency for original acquisition of the unit now occupied by the displaced person or the replacement unit, whichever is less, and is not more than market value.

(d) The replacement dwelling is a newly constructed or a vacant residential unit. No resident shall be displaced pursuant to Section 7260 for the purpose of creating a replacement unit.

54238. In the event a purchaser of surplus residential property does not comply with terms, conditions, and restrictions imposed pursuant to Section 54237 of this article, to assure that such housing will remain available to persons and families of low or moderate income, the state agencies which sold the property may require that the purchasers pay the state the difference between the actual price paid by the purchaser for the property and the fair market value of such property, at the time of the agency's determination of noncompliance, plus 6 percent interest on such amount for the period of time the land has been held by the purchaser. This section does not limit the right to seek injunctive relief to enforce the provisions of this article.

54238.3. (a) This article shall apply only to surplus residential properties which were acquired for a state project, for which at least 20 dwelling units were acquired and owned by the state on January 1, 1980, or on the date the properties were declared to be surplus, whichever date occurs later. For the purpose of this section, a freeway route and its interchanges shall be considered one state project. Except for State Highway Route 7 in Los Angeles County, this article shall not apply to freeway routes rescinded on or after January 1, 1984.

(b) Any person who is displaced from any dwelling located on such residential property that is also located within the right-of-way of a freeway route or its interchanges for which the property was declared surplus on or after January 1, 1984, and who occupied that dwelling for at least 90 days prior to the date the property was declared surplus, shall be eligible to receive the relocation advisory assistance provided by Section 7261, the relocation benefits provided by paragraph (1) of subdivision (a) or subdivision (b) of Section 7262, the payments authorized by subdivision (b) or (c) of Section 7264, and the right for review of decision as provided by Section 7266 if the person is forced to relocate from the dwelling, as a direct result of the state agency's disposal of the excess real property, within 90 days of the recordation of the deed from the state agency to a new owner.

(c) Whenever a state surplus residential property disposal project, as described in subdivision (b), includes 50 or more dwelling units, a Relocation Liaison shall be appointed by the Secretary of the Business, Transportation and Housing Agency. The term of the appointment shall be of sufficient duration for the Relocation Liaison to fulfill the assignment, not to exceed 180 days, and shall begin on the date that the property is declared to be surplus. The Relocation Liaison shall have the following assigned duties and responsibilities:

(1) Meet with the eligible persons and explain to them the benefits defined in subdivision (b).

(2) In conjunction with the state agency, assist in obtaining replacement housing for eligible persons.

(3) Assist eligible persons in completing and processing claims for benefits.

The state agency which is disposing of the surplus residential property shall be responsible for underwriting all reasonable costs as determined by the secretary associated with the operation of the Relocation Liaison's office necessary to perform all duties assigned to it.

54238.4. This article is intended to benefit persons and families subject to displacement and persons and families of low or moderate income. The article shall be liberally construed to permit such persons or families to enforce the rights, duties, and benefits created by the article.

54238.5. Failure to comply with the provisions of this article shall not invalidate the transfer, sale, or conveyance to a bona fide purchaser for value or an encumbrancer for value.

54238.6. If a provision of this article or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this article which can be given effect without the invalid provision or application thereof, and to this end the provisions of this article are severable.

54238.7. Except those properties the Department of Transportation is in escrow as of August 15, 1997, to sell, the Department of Transportation shall not dispose of any surplus property in the City of South Pasadena prior to January 31, 1998. The department shall report to the Legislature by December 1, 1997, on the planned disposition of any surplus property in the City of South Pasadena, the impact on the availability of housing stock, possible impacts upon the community of the proposed sale of properties, and the steps being taken to maintain the character and integrity of the neighborhoods and community.
